

# FINAL BILL REPORT

## ESSB 6097

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Synopsis as Enacted

**Brief Description:** Requiring the insurance commissioner to review a health carrier's surplus, capital, or profit levels as part of its rate filing review process.

**Sponsors:** Senate Committee on Health & Long Term Care (originally sponsored by Senators Rolfes, Kuderer, Pedersen, Frockt, Conway, Randall, Carlyle and Saldaña).

**Senate Committee on Health & Long Term Care**  
**House Committee on Health Care & Wellness**

**Background:** The insurance commissioner has authority to regulate health insurance companies in Washington. As part of this authority, the commissioner may review insurance rates in both the individual and small group markets. Insurers are required to file their individual and group rates with the commissioner. The commissioner may disapprove the rates if they are unreasonable in relation to the benefits in the agreement. The commissioner also reviews individual and small group market insurers for compliance with federal and state requirements such as adjusted community rating and medical loss ratios.

**Summary:** For individual and small group rate filings for plan year 2021 and beyond, the commissioner may review the surplus, capital, and profit of a health carrier as an element in determining the reasonableness of the carrier's proposed rate. In reviewing the surplus, capital, and profit the commissioner must consider the current capital facility needs for carriers, including those maintaining and operating hospitals and clinics.

**Votes on Final Passage:**

Senate	47	0	
House	83	14	(House amended)
Senate	37	12	(Senate concurred)

**Effective:** June 11, 2020

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*